

**Approved**  
**RETIREMENT BOARD MEETING**  
Thursday, May 10, 2007  
Administrative Conference Room  
City Hall  
5:30 p.m.

1. Call to Order: The Retirement Board was called to order at 5:34 p.m. by Richard Parker.
2. Roll Call :  
Present: Robert Etris, Charles Collier, Gordon Daisley, Marshall Jarrett.  
Absent: Charles Murray, Mel Peterson.  
Staff Present: Richard Parker, John Tuohy, Mary Gonda, Beverly Reich
3. Election of the Vice-Chair of the Board: Deferred until next meeting due to the absence of several members.
4. Receipt of Petitions: None.
5. Presentation by Mary McManus and Dan Delany of Oak Ridge Investments. The investment process overview and performance of investments in the Basic and Police Pension Plans was presented for October 2005 to March 31, 2007. The philosophy of Oak Ridge Investments is an emphasis on downside protection by finding stocks that grow faster than the market, with a big emphasis on risk level to build the portfolio and protect stocks. Oak Ridge's underperformance can be related to health care investments and natural gas. Oak Ridge does not plan on changing their process for stock selection but hopes to increase investments in technology, health care and consumer stocks before the November election.
6. Review of the First Quarter 2007 Investment Performance of the City's Basic and Police Pension Plans by Howard Pohl of Becker, Burke for the period ending March 31, 2007. Assets grew from \$59.1 million to \$60.00 million for the first quarter for the Basic Plan. Domestic stocks, international stocks, and real estate funds were above average for the quarter while bonds were slightly below average. The Police Plan increased from \$16.7 million to \$17.0 million during the quarter. International equity markets posted excellent returns and domestic stocks were solid. The real estate market also had good performance.

Howard Pohl informed the Board that infrastructure investing has become an interest to buyers in the United States. Infrastructure investing is similar to bond investments with an approximate 3% higher return and investments are done on world wide infrastructures, i.e. natural gas pipelines. Howard asked that the Board think about this form of investing and he will invite two companies to make a presentation at the August 16<sup>th</sup> Board meeting.

7. Plan Administrator's Report:

Milliman will begin on the annual actuarial reports for the Basic and Police Pension Plans in July or August and they should present those reports at the Board's November meeting. Milliman will then complete a five year experience study which should be completed by the February 2008 meeting. The experience study will test the assumptions currently being used such as average retirement age and life expectancies.

8. Training Opportunities for Board Members:

There will be a Trustee Workshop sponsored by VRS in Richmond, Virginia on October 28<sup>th</sup> and 29<sup>th</sup>. The International Foundation is hosting its annual conference November 4-7 in Anaheim, CA.

9. Review and approval of the draft minutes of the February 15, 2007 Retirement Board Meeting: The minutes were reviewed and approved and will be posted on the City website.

10. Other business not on the agenda. Howard Pohl said that Margaret Gorodess of Becker, Burke is retiring. John Tuohy stated that the GASB 45 governing board of directors has been appointed and it will not be part of the responsibilities of the Retirement Board.

11. Adjournment

Marshall Jarrett moved and Gordon Daisley seconded to adjourn the meeting at 7:10pm. All approved.

THE CITY OF FALLS CHURCH IS COMMITTED TO THE LETTER AND SPIRIT OF THE AMERICANS WITH DISABILITIES ACT. TO REQUEST ACCOMMODATION FOR ANY TYPE OF DISABILITY, CALL 703-248-5014.